Legislation Details (With Text)

File #:	140511	**Version:** 0	**Name:**		
Type:	Bill		**Status:**	ENACTED	
File created:	6/5/2014		**In control:**	Committee on Finance	
On agenda:			**Final action:**	9/11/2014	

Title: Authorizing the Bond Committee to sell bonds at public or private negotiated sale, to provide funds toward various capital municipal purposes; providing for appropriations to the Sinking Fund Commission for the payment of such bonds; authorizing agreements to provide credit or payment or liquidity sources for the bonds in connection with issuance of the bonds, and certain other actions; providing for obtaining the consent of the electors to increasing the indebtedness of the City; and fixing a day and providing for arrangements for holding the election for obtaining such consent.

Sponsors: Council President Clarke, Councilmember Tasco

Indexes: SINKING FUND COMMISSION

Code sections:

Attachments: 1. CertifiedCopy14051100.pdf

Date	Ver.	Action By	Action	Result	Tally
9/11/2014	0	CITY COUNCIL	READ AND PASSED	Pass	17:0
9/11/2014	0	MAYOR	SIGNED		
6/19/2014	0	CITY COUNCIL	READ AND ORDERED PLACED ON NEXT WEEK'S SECOND READING CALENDAR		
6/12/2014	0	CITY COUNCIL	ORDERED PRINTED AND PLACED ON NEXT FIRST READING CALENDAR		
6/11/2014	0	Committee on Finance	HEARING NOTICES SENT		
6/11/2014	0	Committee on Finance	HEARING HELD		
6/11/2014	0	Committee on Finance	REPORTED FAVORABLY		
6/5/2014	0	CITY COUNCIL	Introduced and Referred	Pass	

Authorizing the Bond Committee to sell bonds at public or private negotiated sale, to provide funds toward various capital municipal purposes; providing for appropriations to the Sinking Fund Commission for the payment of such bonds; authorizing agreements to provide credit or payment or liquidity sources for the bonds in connection with issuance of the bonds, and certain other actions; providing for obtaining the consent of the electors to increasing the indebtedness of the City; and fixing a day and providing for arrangements for holding the election for obtaining such consent.

WHEREAS, The Council desires by this Ordinance to authorize the creation of a loan or loans for the purpose of financing new capital projects and expenditures of the City, including reimbursing City capital expenditures previously made in connection with the identified capital projects, subject to the approval of the electors; now, therefore

THE COUNCIL OF THE CITY OF PHILADELPHIA HEREBY ORDAINS:

powered by Legistar™

SECTION 1. The Mayor, City Controller and City Solicitor, or a majority of them (in this Ordinance called the "Bond Committee"), are hereby authorized on behalf of the City to borrow, by the issuance and sale of general obligation bonds of the City for the payment of which the full faith, credit and taxing power of the City shall be pledged, a sum or sums which in the aggregate, shall not exceed ONE HUNDRED THIRTY-SEVEN MILLION TWO HUNDRED NINETY-FIVE THOUSAND DOLLARS ($137,295,000.00), to be expended as provided in Section 2 of this Ordinance; provided, however, that the authority to increase the City's indebtedness as herein contained shall not be effective unless the electors shall give their consent thereto at a public election to be held on November 4, 2014, and the results of such election shall have been filed in and certified by the Office of Prothonotary. Each issue of bonds authorized by this Ordinance may be sold at a private negotiated sale, or at a public sale to the highest responsible bidder as authorized by law, at such price and upon such other terms and conditions not inconsistent with this Ordinance and other applicable law as the Bond Committee shall prescribe. The Council finds that, if a private negotiated sale is utilized, sale of all or any portion of the Bonds authorized by the Ordinance at a private negotiated sale or sales is in the best financial interest of the City.

SECTION 2. The monies raised by the loan or loans authorized by Section 1 of this Ordinance shall be used as authorized by the Act of June 15, 1915, P.L. 846, Section 1 (53 P.S. §15782) to provide capital funds for and toward the acquisition of interests in real estate, property and equipment and the extension, construction and improvement of facilities and other capital expenditures, including reimbursement of City capital expenditures, for the following purposes, and in amounts not to exceed, as follows:

Transit	$ 3,781,000.00
Streets and Sanitation	$ 29,590,000.00
Municipal Buildings	$ 66,679,000.00
Parks, Recreation and Museums	$ 15,925,000.00
Economic and Community Development	$ 21,320,000.00
Total	$137,295,000.00

Provided that, with the approval of Council, so much of the total loan or loans as it may not be practical, advisable or desirable to use for any of the forgoing purposes may be used for any of the other purposes listed.

SECTION 3. The date of each issue of bonds authorized under this Ordinance, the determination whether to issue such bonds in different series, the maturities of such bonds or series of bonds, the provision for payments into the sinking fund created by Section 4 hereof, which payments must be in equal or graded annual or other periodic installments, commencing as to at least one series on a date not more than one and one-half (1 -1/2) years from the date of such bonds, and the other terms, conditions, provisions and details thereof, within the requirements and limitations of this Ordinance, shall be determined by the Bond Committee, or as applicable, may be specified in the purchase proposal of the successful bidder or bidders for the bonds responsive to specifications of the bidding. The bonds of each issue shall be in denominations of five thousand dollars $5,000) or any whole multiple thereof, and shall be in such form (including book entry securities) or combination of forms as the Bond Committee shall determine.

The bonds shall bear interest from the date thereof at prescribed rates, including variable rates (not exceeding any limitation prescribed by law) payable initially on a date not more than nine (9) months from the date of the bonds and weekly, monthly, quarterly or semi-annually or annually thereafter to maturity or prior redemption, if any; may be subject to redemption prior to maturity at the option of the City, either as a whole or from time to time in part, or be subject to mandatory redemption, on prescribed dates, at prescribed prices, not less than par, and, in respect of partial redemption, by lot or by prescribed order and within orders by lot; and

powered by Legistar™

shall be payable as to both principal and interest at the office of the City's Fiscal Agent in the lawful money of the United States. If bonds of any issues shall be subject to redemption prior to maturity, such redemption shall be made only after mailing notice of redemption to the registered owners of bonds at the owner's address on the registry of the Fiscal Agent not less than ten (10) nor more than forty-five (45) days prior to the date fixed for redemption.

SECTION 4. There is hereby created a sinking fund to be administered by the Sinking Fund Commission for the payment of the principal of and interest on the bonds of each issue authorized by this Ordinance. The City covenants that in each year in which such issue of bonds shall be outstanding, there shall be appropriated from the tax and other general revenues of the City to the Sinking Fund Commission for deposit to the credit of each such sinking fund a sum at least equal to the interest on and the principal of such bonds as the same becomes due and payable. The amounts of such appropriations shall be paid over on the respective due dates of required sinking fund payments for such principal and interest. The City also covenants that, in each year the Agreements (defined in Section 5) are outstanding, it shall appropriate from the tax and other revenues of the City sufficient funds to meet its obligations as they become due under the Agreements.

The City covenants that, so long as any bonds issued by virtue of this Ordinance shall remain unpaid, it will make payments out of its sinking fund or any other of its general revenues or funds at such times and in such annual amounts as shall be sufficient for the payment of the interest thereon and the principal thereof when due, and so long as the Agreements are outstanding, it will make payments out of its general revenues or funds at such time and in such amounts as shall be sufficient to pay the City's obligations under the Agreements.

SECTION 5. The Bond Committee is authorized on behalf of the City to enter into agreements (the "Agreements") with any bank, insurance company or other appropriate entity providing credit or payment or liquidity sources for the bonds, including, without limitation, letters of credit, lines of credit and insurance in connection with the issuance of the bonds. Such Agreements may provide for payment or acquisition of the bonds if the City does not pay the bonds when due and may provide for repayment to the bank or other institution from the date of such payment or acquisition. The Bond Committee is authorized to take any and all other actions as may be necessary to effect this Ordinance.

SECTION 6. For the purpose of obtaining the consent of the electors to the increase of the City's indebtedness in the sum of ONE HUNDRED THIRTY-SEVEN MILLION TWO HUNDRED NINETY-FIVE THOUSAND DOLLARS ($137,295,000.00), as authorized in Section 1, the Council by its Clerk, shall after the passage of this Ordinance,

(i) promptly transmit to the Board of Elections a certified copy of this Ordinance; and

(ii) give notice by advertisement once a week for three (3) weeks in each of two (2) daily newspapers having a bona fide circulation in Philadelphia of at least thirty thousand (30,000) copies per issue and also in the Legal Intelligencer of an election to be held on Tuesday, November 4, 2014, for the purpose of obtaining such consent. The notice of advertisement shall contain a summary of the provisions of each section of this Ordinance and shall also set forth a certificate of the City Controller as required by the Act of June 25, 1919, P.L. 581, Article XVIII, Section 5, as amended (53 P.S. §12585).

SECTION 7. The proper officers are hereby authorized and directed to prepare and distribute the necessary voting equipment and paraphernalia, and to take such action as may be required for the holding of said election as provided for in the laws of the Commonwealth of Pennsylvania governing the increase of indebtedness of cities of the first class and holding elections thereof. In furtherance thereof, the following question is to be placed on the ballot, to be answered "Yes" or "No":

powered by Legistar™

Should the City of Philadelphia borrow ONE HUNDRED THIRTY-SEVEN MILLION TWO HUNDRED NINETY-FIVE THOUSAND DOLLARS ($137,295,000.00) to be spent for and toward capital purposes as follows: Transit; Streets and Sanitation; Municipal Buildings; Parks, Recreation and Museums; and Economic and Community Development?

powered by Legistar™